Allen L. Duffy 9-13-18

City of Elgin
P.O. Box 128 - 180 N. 8th Ave. - Elgin, OR 97827
Voice :( 541)437-2253 Fax :( 541)437-0131

# NOTICE

City of Elgin Oregon City Council to Conduct:
**Regular Council Meeting**

When: Tuesday September 18th, 2018: Council Meeting 7:00pm
Where: Elgin City Hall, 180 Nth 8th Street, Elgin, Oregon 97827
For More Information, Please Contact Brock Eckstein, City Administrator/Recorder, at (541) 437-2253 or cityadm@cityofelginor.org.

**MEETING AGENDA 7:00pm:**

- 7:00pm Call to Order and Flag Salute
- Roll Call:

Councilor West____ Councilor Shaffer____ Councilor Burgess____ Councilor Warren____ Councilor Reed____ Councilor Hallgarth____ Student Councilor VACANT____ Mayor Duffy____

- Revise/Approve Agenda
- Citizens May Speak About Items on the Current Agenda IF Called Upon at This Time

**REPORTS**

- Law Enforcement - UC Sheriff Department
- Ordinance Officer – Alex Duffy
- Municipal Court – Laura Eckstein
- Ambulance – Kevin Silvernail
  - Public Safety – Mayor Duffy/Councilor West and Warren
- Public Works – Director Larman,
  - Councilors Burgess/Reed
- Engineer's Report - JUB
- Parks and Rec – Bryan Jungling
- Library – Michele Timmons
- Planning Commission – Brock Eckstein
- Administrator – Brock Eckstein
  - Administration – Councilors Warren/Hallgarth
- Opera House – Councilors Shaffer
- Union County Chamber – Bob Kavanaugh
- Chamber – Admin. Eckstein/Councilor Hallgarth
- Lions Club – Mayor Duffy/Admin. Eckstein
- Stampeders – Councilor Burgess
- Women's Service Club – Councilor Warren
- Museum – Councilor Reed
- Rail Road – David Arnold
- Economic Development – Mayor Duffy
- Student Council – VACANT

**OLD BUSINESS**

Executive Session 192.660(2)(e) To conduct deliberations with persons you have designated to negotiate real property transactions.

Calico Arms Land Purchase Agreement

**NEW BUSINESS**

Senior Discount for Dump Fee's

Letter of Support for New Stampede Hall

Request to Hire Assistant Librarian

Pay Scale Adjustments

# *Elgin Activities –AUGUST 2018*

The Union County Deputies contributed hours to the total for the month. The statistics reflect the activities for the Sheriff's Office.

| | | |
|---|---|---|
| **HOURS** | **470.75** | |
| CRIM. CITATIONS | 1 | |
| TRAFFIC CITATIONS | 10 | |
| WARNINGS | 64 | |
| ARRESTS | 10 | |
| CALLS FOR SERVICE | 57 | |
| FIELD INTERVIEWS | 24 | |
| WALK-INS | 0 | |
| REPORTS | 13 | |
| TOWS/IMPOUNDS | 0 | |
| OTHER | 2 | **noted with an * below** |

**The above hours were allocated as follows:**

| | | | |
|---|---|---|---|
| **PATROL** | **53 %** | **TRAFFIC ENFORCEMENT** | **16 %** |
| **REPORTS** | **10 %** | **INVESTIGATIONS** | **21 %** |

Activities include:

Routine patrol including foot patrol, school patrol, truck route patrol, bicycle patrol and traffic patrol
Ongoing Drug investigations and surveillance
Call for service for kids in & on railroad property and building, located and counselled kids
Report of a possible fire on Indian Creek, unable to locate
Responded to a call regarding fireworks
Follow up on a possible Marijuana use report
Medical assist x 4
Call for service for a noise complaint x 2
Welfare check x 2
Call for service for a possible suicidal subject, situation resolved
Arrested one subject for Assault IV Domestic Violence Felony
Attempted to located wanted subjects x 3
Arrested one subject for Burglary
Responded to a call of vehicle vs deer x 2
Call for service for Theft of cans
Arrested one male subject on a Warrant x 2
Responded to a report of four children on the roof of a church
Call for service for tires slashed and possible Telephonic Harassment
Call of a possible stolen dog, unable to locate
Marijuana seizure resulted from a traffic stop
Arrested one subject for Driving While Suspended
Call for service to report threatening messages
Responded to a motorcycle accident
Report of illegal burning
Call for service regarding two aggressive pit bulls
Responded to a call reporting Theft of a laptop

Call for service regarding possible Harassment x 2
Responded to a report of Assault, attempted to locate suspect
Report of kids at Community center smoking marijuana, unable to locate
Call to Trespass two individuals from an assisted living facility
Call to report a possible domestic disturbance, verbal only
Follow up on a possible Child Abuse investigation
Flagged down for report of a juvenile attempting to start a fight with another juvenile, counselled on behavior
Warned one subject for Disorderly Conduct
Arrested one subject for DUII x 2
Responded to two calls for a disturbance between tenants
Call for service regarding a male juvenile hit in the head with a rock by another juvenile
*Drug training class
Responded to a report of a careless driver
Reports of kids riding motorcycles, located and counselled
Arrested one subject for Probation Violation
Responded to a call of a possible DUII, unfounded
Call for service reporting people shooting on Hancock property
Unattended death investigation
Responded to a report of juvenile bullying
Call for service for Theft, civil compromise made
Responded to a call to Trespass an individual x 3
Call for service to report a burglary
*Child Abuse investigation
Responded to a report of an open door at a business after hours, building secured
Report of an MIP party, turned out to be adults drinking
Follow up on a Fraud investigation
Call for service regarding a property dispute, options explained
Responded to a call regarding a suicidal subject
Report of a suspicious vehicle
Call for service regarding reckless driving, unable to locate subject
Responded to a call of possible Fraud

| Elgin 2018 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 0.00 | 20.00 | 17.50 | 19.00 | 6.00 | 10.00 | 19.00 | 12.00 | | | | |
| 2 | 13.00 | 20.00 | 15.00 | 20.00 | 21.00 | 12.00 | 11.00 | 40.00 | | | | |
| 3 | 10.00 | 15.75 | 23.75 | 15.00 | 40.00 | 19.00 | 10.00 | 13.00 | | | | |
| 4 | 22.00 | 20.00 | 10.00 | 15.50 | 37.00 | 9.50 | 22.25 | 23.75 | | | | |
| 5 | 17.50 | 23.00 | 24.00 | 30.00 | 30.25 | 19.50 | 20.00 | 26.00 | | | | |
| 6 | 22.75 | 10.00 | 10.00 | 22.75 | 13.25 | 27.50 | 28.00 | 11.00 | | | | |
| 7 | 17.00 | 9.00 | 16.00 | 18.50 | 10.00 | 27.75 | 19.00 | 2.50 | | | | |
| 8 | 25.00 | 14.50 | 19.00 | 10.00 | 10.00 | 32.00 | 12.50 | 5.50 | | | | |
| 9 | 11.50 | 18.00 | 19.25 | 20.00 | 20.00 | 19.50 | 13.00 | 9.75 | | | | |
| 10 | 12.00 | 10.00 | 16.00 | 20.00 | 17.50 | 15.00 | 9.25 | 15.00 | | | | |
| 11 | 17.50 | 18.50 | 21.25 | 11.00 | 18.00 | 10.50 | 24.00 | 11.50 | | | | |
| 12 | 21.00 | 14.00 | 11.50 | 20.50 | 18.25 | 1.00 | 25.25 | 10.00 | | | | |
| 13 | 20.25 | 11.00 | 16.00 | 14.00 | 18.00 | 0.00 | 30.25 | 13.50 | | | | |
| 14 | 20.50 | 18.00 | 18.00 | 1.00 | 10.00 | 22.75 | 30.75 | 15.00 | | | | |
| 15 | 12.50 | 24.00 | 21.00 | 16.50 | 1.00 | 17.00 | 21.00 | 10.00 | | | | |
| 16 | 14.00 | 20.00 | 21.25 | 29.00 | 16.00 | 20.00 | 10.00 | 27.00 | | | | |
| 17 | 6.50 | 14.00 | 14.00 | 19.00 | 18.25 | 25.00 | 5.50 | 22.75 | | | | |
| 18 | 4.00 | 11.00 | 24.00 | 15.50 | 25.00 | 11.00 | 19.00 | 17.50 | | | | |
| 19 | 10.00 | 20.00 | 21.50 | 18.50 | 10.00 | 13.50 | 8.00 | 20.00 | | | | |
| 20 | 10.00 | 14.00 | 7.50 | 24.50 | 15.00 | 16.25 | 22.00 | 0.00 | | | | |
| 21 | 10.00 | 14.00 | 16.50 | 21.00 | 9.00 | 11.25 | 9.50 | 0.00 | | | | |
| 22 | 13.50 | 19.50 | 25.00 | 16.00 | 0.00 | 16.75 | 23.50 | 6.00 | | | | |
| 23 | 15.00 | 17.50 | 23.75 | 10.00 | 15.00 | 12.00 | 2.50 | 16.50 | | | | |
| 24 | 10.00 | 18.50 | 15.00 | 5.00 | 18.00 | 10.00 | 8.50 | 29.00 | | | | |
| 25 | 28.50 | 23.00 | 14.50 | 15.00 | 8.00 | 3.50 | 12.50 | 21.00 | | | | |
| 26 | 13.50 | 20.00 | 12.00 | 22.00 | 3.00 | 12.00 | 19.00 | 23.50 | | | | |
| 27 | 10.00 | 13.00 | 13.00 | 22.50 | 1.50 | 12.00 | 23.50 | 0.00 | | | | |
| 28 | 30.25 | 10.00 | 13.00 | 9.50 | 0.00 | 27.50 | 7.00 | 1.50 | | | | |
| 29 | 24.00 | 0.00 | 15.50 | 16.50 | 10.00 | 22.25 | 18.00 | 14.25 | | | | |
| 30 | 10.00 | 0.00 | 22.50 | 10.00 | 12.50 | 21.50 | 10.00 | 35.25 | | | | |
| 31 | 3.50 | 0.00 | 11.75 | 0.00 | 28.50 | 0.00 | 0.00 | 18.00 | | | | |
| Total | **455.25** | **460.25** | **529** | **507.75** | **460** | **477.5** | **493.75** | **470.75** | **0** | **0** | **0** | **0** |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 420 | 420 | 420 | 420 | 420 | 420 | 420 | 420 | 420 | 420 | 420 | 420 |
| Over/Shor | 35.25 | 40.25 | 109.00 | 87.75 | 40.00 | 57.50 | 73.75 | 50.75 | (420.00) | (420.00) | (420.00) | (420.00) |

## Brock Eckstein

**From:** elginambulance@cityofelginor.org
**Sent:** Wednesday, September 12, 2018 7:49 PM
**To:** Brock Eckstein
**Subject:** Report

Hello Brock and Councilors
We are on run #194 for the year. We will be sending two EMTs to Advanced EMT school this Fall Trem.
Thanks
Kevin

Sent from my iPad

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J-U-B ENGINEERS, INC.

J-U-B COMPANIES | THE LANGDON GROUP | GATEWAY MAPPING INC.

## CITY OF ELGIN CITY COUNCIL - ENGINEERING UPDATE

September 2018

ACTIVE TASK ORDERS

| Project Name | Start | End | Summary of Progress |
|---|---|---|---|
| Sewer Collection System PER | October 2017 | October 2018 | Review and analyze data collected by City. Prioritize and develop projects based on data analysis. Write draft report. |
| Safe Routes to School Funding Application | August 2018 | October 2018 | J-U-B has submitted a letter of intent. Working on application. |
| Indian Valley Estates | August 2018 | Fall 2018 | J-U-B is developing draft plans for the City and regulatory agency review. |
| | | | |

*Elgin Municipal Engineering:*

- ☐ Sewer Collection System PER
  - USDA Rural Development Grant ($30k) funds and the IFA Technical Assistance Grant ($20k) funds are obligated.
  - City staff has conducted an existing condition analysis on the sewer system for the City. City crews used the City of La Grande's TV camera to inspect the City sewers. J-U-B is in the process of reviewing and analyzing this data.
  - Project development and prioritization is underway.
  - The next round of CDBG funding opens in October and is due at the end of December. The City will pursue CDBG funds for design efforts following completion of the PER.
  - The City, J-U-B and Ducote Consulting are reviewing various funding alternatives for design and construction projects. Ducote Consulting will lead funding efforts with assistance from J-U-B.
- ☐ Safe Routes to School
  - Application Due 10/15.
  - J-U-B to develop application worksheet with Review by City and then transfer to online application for submittal
- ☐ Indian Valley Estates
  - J-U-B has developed a concept design for the water and sewer infrastructure.
  - J-U-B is developing draft plans for review by the City and Regulatory Agencies.
  - Road design and construction will occur once utilities are constructed.

*Items of General Municipal Engineering Interest:*

- ☐ None this month.

## Proclamation

WHEREAS, there is compelling evidence of a correlation between the experience of childhood trauma and resulting behavioral and health problems, when the trauma is unrecognized and unaddressed; and

WHEREAS, the cumulative effects of such trauma over a lifespan, if ignored, are detrimental to individuals and communities; and

WHEREAS, the Trauma-Informed Coalition of Union County has a vision of a community where all young people thrive and all parents raise their children with consistency and nurturance to develop lasting resilience, and a mission to mobilize the community through dialogue to radically reduce the number of Adverse Childhood Experience while Building resilience and a more effective delivery system.

NOW, THEREFORE, I, Allan Duffy, Mayor of Elgin, do hereby proclaim October 2018 to be:

## Children's Resilience Month in Elgin

and urge all residents to become informed about childhood trauma and how to create resilience in individuals who have suffered such trauma, to integrate these principles into their everyday work and practice, and to otherwise support the work of the Trauma-Informed Coalition.

Allan Duffy, Mayor

# Waste-Pro

**3412 Hwy 30**
**La Grande, OR 97850**
Voice: 541-963-5459 Fax: 541-963-8212 E-mail: service@waste-pro.com

September 18, 2018

To: Whom it may concern

From: Ron Larvik

Subject: Loss on Recycling

Over the last couple of years, there has been a major change in the global recycling market. The end effect is a reduction in the value for recyclables. Long term predictions indicate that this will continue into the foreseeable future and recycling communities need to make adjusts to continue the success of existing recycling programs.

When Union County's recycling program was created the projected costs were based on having a zero value. Since then, the value has decreased to negative numbers and requires increased subsidization.

For example, over the last 12 months, recyclables have cost $62,716.00 for shipping and final processing. Waste-Pro needs to pass thru the losses. A rate increase of 1.2% across all services will cover these loses. Another .23% is needed to fund an education and promotion campaign to retrain customers. This brings the total to 1.43%.

| | TONS | MARKET PRICE | FREIGHT (per ton) | NET (per ton) | $ |
|---|---|---|---|---|---|
| **News** | 65.36 | @$10.00 | 35.00 | (25.00) | ($1,634.00) |
| **Comingled** | 642.97 | @($60.00) | 35.00 | (95.00) | ($61082.00) |
| | | | | | ($62,716.00) |

This would increase the weekly residential La Grande customer's rate from $14.10 to $14.30 per month and two rollcart customers from $22.00 to $22.35 per month.

City of Elgin
P.O. Box 128 - 180 N. 8th Ave. - Elgin, OR 97827
Voice :( 541)437-2253 Fax :( 541)437-0131

# Monthly Administrator Report

Mr. Mayor and City Councilors,

- Mayor Proclamation
- $71,000 From Boise Cascade update
- Sidewalk Project Complete
- Audit Field Work Complete
- Cycle Oregon Update
- Started Work/Ordered Materials for Indian Valley Estates
- OCS Program Complete, Back to Normal Drill Schedule
- Ways and Means Committee Meeting
- Waste Pro Proposal
- WC Loan Package Evaluations
- Purchase of Animal Control Vehicle
- Pre-Approval of SCA Grants
- Holiday Party Planning
- LOC Conference Update SEPT 26-29

Brock Eckstein

City Administrator

September 13, 2018

Brock Eckstein, City Recorder/Administrator
City of Elgin, Oregon

U.S. Bank National Association ("U.S. Bank") is pleased to consider your request to provide financing to the City of Elgin, Oregon ("City"). A summary of some of the terms U.S. Bank is considering for this financing package is as follows:

**Re: $1,180,000**
**City of Elgin, Oregon**
**Non-Voted Full Faith and Credit Tax-Exempt Loan ("Loan")**

The Loan financing to the City will be used to purchase the WC Construction Complex to relocate the City's Public Works Department, City Hall, City Yard and City Kennel.

Fixed Rate Loan:

Amount: $1,180,000

Length: 7 years

Amortization: 15 or 20 years

Interest Rate Features: The interest rate, below, is being held as a courtesy to the City until noon (Pacific) on Friday, September 21, 2018. Please advise U.S. Bank of your intentions to proceed or not prior to that date and time. The interest rate will be formally locked by an agreement between the City and U.S. Bank once U.S. Bank is selected to provide the Loan. The interest rate assumes a 30/360-day interest accrual basis. The interest rate also assumes that the City and legal counsel will designate the Loan as tax-exempt (bank qualified) under existing federal tax regulations.

Interest Rate: A fixed interest rate of 3.40% (7-year term/15-year amortization) or 3.50% (7-year term/20-year amortization) per annum as of September 13, 2018 with U.S. Bank's standard break funding prepayment provisions. For a prepayment waiver, add 37 bps in the rate.

Payments: Interest rates, above, assumes semiannual interest and annual principal payments that result in, essentially, level annual debt service requirements over the 15 or 20-year amortization period with a final balloon payment of all outstanding principal (plus accrued interest) in the 7th year.

Debt Service Reserve Fund: Not required.

Default Interest Rate: The default interest rate will be the stated rate plus 3%.

Security: The Loan will be a full faith and credit obligation of the City. U.S. Bank will not take a subordinate lien position to any other City full faith and credit obligation financing.

Loan Counsel: The loan documents and an unqualified legal opinion must be provided by a nationally recognized bond counsel that is currently listed in the "Red Book" more formally known as The Bond Buyer's Municipal Marketplace ("Loan Counsel").

Loan Agreement: In addition to the normal financing documents produced by Loan Counsel, there must be a loan agreement to be executed by the City and U.S. Bank. This Loan Agreement is similar to a bond purchase agreement but will contain covenants, default features, and other

components of a relatively standard, municipal/government loan from U.S. Bank (see Covenants/Provisions below).

Costs: Various costs, expenses and fees relating to due diligence and Loan documentation, including all legal fees and expenses are the responsibility of the City. U.S. Bank does not expect to require separate Bank Counsel for this financing. U.S. Bank must be explicitly permitted to rely on the documents and legal opinion of the City's Loan Counsel.

Covenants/Provisions: Documentation will include standard covenants regarding maintenance of business operations, adequate insurance coverage, and to collect fees, taxes and other revenues in an amount sufficient to meet all City obligations, including debt service on this Loan. The loan documents must not refer to the Bank as a "Purchaser" but, rather, a "Lender". We must not have a "Bond Purchase Agreement" but, rather a "Loan Agreement" in order to further distance this financing away from being a securities issuance in favor of being a "loan". The Loan Agreement will be signed by U.S. Bank and the City and will specifically include the following covenants/provisions:

1. The City will covenant to automatically provide the Government Banking Division of U.S. Bank with copies of its annual, audited financial statements within 330 days of the end of each fiscal year for the duration of the Loan.
2. The City will provide U.S. Bank with a copy of the City's final budget within 45 days after its adoption.
3. The City will provide the Bank financial or other information as may be reasonably requested from time to time.
4. The City will promptly notify the Bank of any development which is likely to have a material, adverse effect on the financial condition of the City.
5. The City will agree to take all actions necessary to preserve tax-exempt status of the obligation. Should the tax designation change, the interest rate will change accordingly and to be effective the same date as the tax designation.
6. There will not be a 3rd party paying agent.
7. The Loan will not be registered with the Depository Trust Company or any other securities depository.
8. The Loan shall not be:
   (i) assigned a separate rating by any rating agency;
   (ii) issued pursuant to any type of offering document or official statement; and,
   (iii) assigned a CUSIP number by Standard & Poor's CUSIP service.

Other: U.S. Bank's continued involvement with this financing is predicated upon U.S. Bank obtaining credit approval of the various terms, conditions, and creditworthiness of the City. The credit approval process includes the mandatory analysis of the City's most recent four years of audited financial statements. We hereby acknowledge possession of the requisite audited financial statements.

This Letter of Interest automatically expires, unless already acted upon, at noon (Pacific Time zone) on Friday, September 21, 2018.

**This letter is an expression of interest only. U.S. Bank does not intend that this letter or discussions relative to the terms of this letter create any legal rights, implicit or explicit, in your favor, nor is it intended to create any obligation on the part of U.S. Bank. Also, no oral discussions and/or written loan agreements shall be in place of or supersede written loan agreements executed by your business and accepted by U.S. Bank.**

**Please note that this proposal is for your review only. You may not disclose this letter or any of the terms contained in this letter to any third party other than your attorney, accountant and authorized agents representing you.**

If you have any questions regarding this letter, please contact Shannon Houck at (541) 963-3635 or Jayne Pankratz 208-383-7386.

Very truly yours,


Shannon Houck

Business Banking Specialist

U.S. BANK NATIONAL ASSOCIATION

Jayne Pankratz

Government Banking VP/Relationship Manager

U.S. BANK NATIONAL ASSOCIATION

City of Elgin

PO Box 128
Elgin, OR 97827
**Attention: Councilors**

# Report for Proposal - Financing

September 17, 2018

Community BANK

609 N Main St
Joseph, OR 97846

# Bank Overview

Community Bank was founded in 1955 by a group of Joseph business leaders - at the time the bank was named Bank of Wallowa County.

The bank remained relatively unchanged until 1991 when there was a change in ownership. Since then, we have been very active in our expansion effort. Our growth has allowed us to become a driving force in the financial services industries of Northeast Oregon and Southeast Washington.

To this day, we continue to develop the finest group of bankers found anywhere. Our dedication to our communities, and willingness to provide the highest quality of customer service, are two reasons we continue to grow and be successful. It has also created unique advancement opportunities for each and every staff member who is willing to make a commitment to ensuring that Community Bank is the premier financial institution in our service areas. Our staff members pride themselves on offering unsurpassed professionalism and premier customer service.

Unlike our competitors, we continue to control our own destiny. Community Bank employees, Officers and Directors own the vast majority of our outstanding stock - and we are dedicated to remaining locally owned and operated. **We have had no aquisitions/mergers over the past 22 years.**

Currently Community Bank employs 140 people in Eastern Oregon and Washington. Benefits for our employees include health, vision, dental and life insurance; 401 K retirement plan up to 3% match; vacation and sick time; Flex Spending accounts; and Employee Stock Option Plan (ESOP).

## Timeline

| | |
|---|---|
| **1955** | Bank of Wallowa County founded |
| **1976** | Enterprise branch opens |
| **1991** | Ownership changes, Bruce Penoske named President |
| **1995** | Two branches purchased from US Bank |
| **1996** | Pendleton branch opens |
| **1997** | Name changed to Community Bank |
| **1997** | Hermiston branch opens |
| **1998** | La Grande branch opens |
| **1999** | Elgin branch opens |
| **2001** | Baker City branch opens |
| **2001** | Milton-Freewater branch opens |
| **2002** | Walla Walla branch opens |
| **2005** | 50th Anniversary! |
| **2006** | Tom Moran becomes President |
| **2007** | La Grande Valley branch opens |
| **2007** | Hermiston North Hill branch opens |
| **2008** | Bruce Penoske retires |
| **2008** | Tom Moran named CEO |
| **2009** | Heppner and Clarkston branches open |
| **2012** | College Place branch opens |
| **2013** | The Dalles Loan Office opens |
| **2015** | 60th Anniversary! |

Community BANK

www.communitybanknet.com

Member FDIC

EQUAL HOUSING LENDER

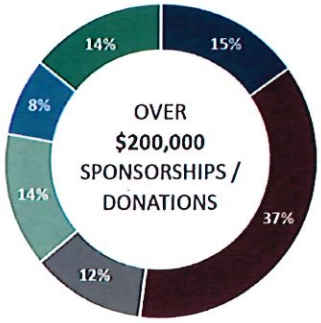
# Community Support

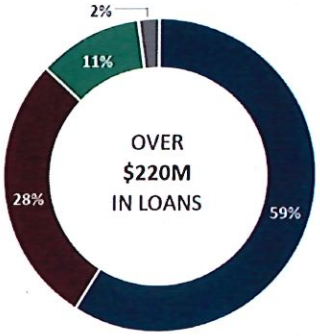
We are a proud supporter of local events and non-profits; our employees are committed to volunteering to better our communities; and our loans are made to local people, farms and businesses.

At Community Bank we understand the economic and social impact schools, hospitals, non-profits, fairs, museums, festivals, chambers and youth activities have on our communities. That is why we encourage our employees to join boards and committees of organizations they are passionate about. You will also see community bankers volunteering at local events and coaching youth sports. These responsibilities are important to us.

We also sponsor and provide financial support for events that our communities depend on such as fairs, rodeos and many other festivals and fund-raisers.

We appreciate our customers and our communities. Look for your local appreciation BBQ in the summer, our Charity Drive during the holidays, and our Earn While You Learn Program for our student-customers.






Graphs reflect amounts for 2016
In NE Oregon & SE Washington

# Management Team

The lending relationship of
the City of Elgin will be serviced
by experienced Community Bank staff members who are familiar
with the financial needs of municipalities.

Upon acceptance of this proposal, your team will include:

**Adrian Harguess**
Vice President/Commercial Loan Officer
- Responsible for commercial lending
- Time with Community Bank: 12 years
- Experience in Banking: 21 years
- aharguess@communitybanknet.com

**Kathy Bonney**
Assistant Vice President/Branch Manager
- Responsible for Community Bank Operations in Elgin
- Time with Community Bank: 8 years
- Experience in Banking: 42 years
- kbonney@communitybanknet.com

# Loan Proposal

Community Bank is offering the
City of Elgin the following Loan Proposal based upon
your request for financing to purchase a new office building and
shop complex to be used as the City Hall and Public Works Department.
This is NOT a commitment to lend, but a proposal for your consideration. The loan will be subject to the normal credit approval process of Community Bank and meeting Community Bank Loan Policy requirements. This Loan Proposal is contingent upon the following criteria:

**Obligor:** City of Elgin

**Loan Amount:** Up to the purchase price of $1,180,000

**Loan Purpose:** Purchase property located at 815 Hemlock Street

**Term:** 20 years

**Payment:** Principal and interest payments due annually

**Interest Rate:**

- Variable rate with an initial fixed rate period of 5 years and adjusted every 5 years thereafter.
- Interest rate of 3.82% as of 9/17/2018 based on index plus a margin (tax exempt rate).
- 365/365 interest rate calculation.
- Index: FHLB (Federal Home Loan Bank) 5 year rate currently at 3.17%. Margin: .65%
- Actual initial interest rate to be set at closing based on index and margin at the time.

**Prepayment Penalty:** Declining 5,4,3,2,1 with a 10% allowance annually that will reset at every 5 year interest rate adjustment. (5% the 1st year, 4% the 2nd year, 3% the 3rd year, 2% the 4th year, 1% the 5th year while resetting back to 5% on the 6th year. Borrower may make a 10% prepayment without penalty annually over and above the required P&I payments.)

**Bank Fees** The loan will be subject to, but not limited to the following fees:

- 0.25% origination fee (based on loan amount)
- $250 doc fee
- $750 appraisal review
- $18 flood determination
- $120 recording (estimated)
- $100 Title Insurance

**Collateral:** Insurable 1st lien position on the new City Hall property not to exceed 75% of the lower of the purchase price or appraised amount. ($1,180,000 purchase price would result in a loan amount of $885,000) Additional collateral may be provided to increase the loan amount up to 100% of the purchase price if desired not to exceed 75% of the total value of collateral offered.

# Loan Proposal

**The following information will be required prior to loan closing:**

- 2017-2018 fiscal year City financial information
- Real estate purchase agreement
- A resolution from the City authorizing the City to borrow funds for this purpose and authorizing signers for the loan documents
- An opinion from the City's legal counsel stating that the interest Community Bank will earn from this loan is tax exempt based on the district's municipal status
- All costs necessary to perfect the Bank's lien and interests are the City's responsibility
- Any other items that may be needed throughout the loan documentation process

**Community Bank reserves the right to withdraw this proposal upon material adverse change to principals or borrower entities, and/or financial conditions as determined solely by Community Bank.**

Thank you for allowing Community Bank the opportunity to provide for your financing needs.

Gratefully,

Adrian Harguess
VP/Commercial Loan Officer
Community Bank
609 N Main St
Joseph, Oregon 97846
541-432-9050

# Elgin Museum and Historical Society

August, 2018

BLUE MOUNTAIN BOYS

Call them Ambassadors of good will, promoters of commercial interests, or just fun loving businessmen having a good time, the Blue Mountain Boys made their mark in the area beginning August of 1957. Dressed in faded bib overalls (that were never washed), blue work shirts, hats with a minimum 12 inch crown, mangled wigs, and a beard helping disguise the identity, the "boys" would arrive at events unsuspectingly, often in their 1923 Dodge pickup dubbed the "Mash Mangler." They often stated the Mash Mangler would be hooked to their still for distilling process purposes. Those who were closest to the characters would often complain about the smell of the participants, particularly the clothing.

The fun-filled group always used mysterious mountain men names such as Zeke, Hank, Lafe or Snuffy. The secretive lot used shotguns, corn cob pipes, and jugs with suspect liquids. A blast from the unsuspected shotgun would often cause the most hearty to jump out of their own drawers.

Legendary events included such things as exploding outhouses, a broken window, and live chickens (barely), or dead skunks.

According to Dick Calhoun of the September 13th Observer, the group was brazen enough to stroll into U.S. National Bank with the pretense of a major robbery, but instead seeking a loan of $4200 to purchase a trailer. After tying up the manager, Ralph Nelson, the boys departed off in their Mash Mangler, shooting their shotguns and hooting over the success of the loan. Of course, the employees and guests burst out in a loud applause for the successful "heist."

Not only did the Blue Mountain Boys attend many events around the state, they also managed to make "the acquaintance" of notable individuals.

According to the Observer, Governor Homes was the first high ranking individual to be honored by the "Ornery," as he spoke at Eastern Oregon College. Given the membership of honor, Governor Holmes received the card and a fresh dead squirrel skin as an honor.

Governor Mark Hatfield was also honored July 24th, 1959 at a banquet given to honor him. Entering with the typical stench of dirt (and perhaps remains of the dead squirrel), the Governor was honored with a bear skin. During the event the Mountain boys commented, "We jest wanted you to know y're on the right side," to which the governor gave my uncle, Democratic Sen. Dwight Hopkins, "the look."

The Blue Mountain Boys even stormed the capital August 21st, 1981, where they presented Governor Vic Atiyah shirts, overalls, and beards. For these fine gifts, the Boys were escorted through the capital, and given a lesson on how government really works.

For over 50 years the organization kept their anonymity, performing in various communities and spreading the good will of Union County. The charter members have all passed, but true to their

LEVETA BOTZ, BRIDE OF 64 YEARS

This December LeVeta Botz will mark her marriage to husband Ed for 64 years, "and to the same man is unusual these days!"

LeVeta was born in Enterprise and attended the Minam School until 13 years of age. "I was at the bottom. In those days you lined up against the blackboard and couldn't sit down until you learned your ABC's and times tables." Her mother and father were Violet and Bob Sasser and "I got called 'Sassy' during my school days."

Although her grandfather moved from Kentucky in four days, it would take him a week to drive a wagon from Elgin to Enterprise. With the grade, she said, the wheels would have to be continually locked with a log to keep from rolling.

LeVeta moved to Elgin to start her freshman year in what is now Stella Mayfield School. She recalled her longtime friendship with Betty Knapp and Barbara Sulton (Bickle). "Barbara was born the same day in in the same house we have now. It was a hospital at the time." Leveta said the friends were really very good in school, but laughed saying, "They only got ornery after I left."

LeVeta married Ed Botz in December of 1954 and moved to Imbler. "I tried to grow a garden in that great soil, but didn't do well at all. Two older neighbors came over and asked, 'What are you growing—marble potatoes?' I went inside the house and cried. I was only 17 years old. I just didn't know what I was doing." After a year, she and Ed moved out to his folks' farm, where they lived for 28 years. Ed's parents were Bill and Iola Botz. The farm was located on the Valley View Road. "We had to milk 17 cows by hand before Ed would go to the mill at 6:00 a.m. I drove the school bus for 28 years. It was a rough but good life on the ranch. We didn't have enough water from the well to shower and flush the water at the same time. I remember one time a cow died. We took it out and buried it the best we could. It was a very rocky soil and difficult to dig. We got the cow buried, but it bloated and swelled up so its feet were sticking out. Doris Howell came over and tripped on the feet."

Although life was good but hard, the "sad" years followed when Ed was diagnosed with cancer, and unable to work for three years. "We ended up losing the home and had to trade in our five trucks, which kept breaking down when we had them." The 101 acre farm sold for $54,000. "It was in the first part of the 80's and everyone was losing their farms."

"Driving the school bus was a wonderful job and they were wonderful kids." Then Ed and LeVeta started the Country Kitchen, which they had for 19-20 years. "All of us worked, and mom was a wonderful cook and she worked for Otis Payne as a head cook for 21 years." They purchased the Timbers Cafe, but after a three year period, a payroll robbery created a situation of having to close. So the Botz family decided to convert their Elgin home into a Bed and Breakfast, going by the name of The Stagecoach Stop. The home is the former Elgin Hospital, which then converted to the Peterson apartments before it was sold by Les Pruitt in 1990. It consists of 5400 square feet, six bedrooms and four bathrooms.

The couple had four girls: Pam Davis, Cindy Chandler, Teresa Martin and Sandra Lathrop. LeVeta is proud of their success and noted they had all been involved in the Elgin Stampede. Cindy and Sandra were both Stampede queens, while Pam and Teresa were honored as princesses. LeVeta added that the family has grown so much that 59 blood relatives attended a reunion held two years earlier, adding that "not one of them smokes."

"I have loved Elgin so much," LeVeta noted, "and worked on many projects to make it better. Some of the projects included the Rural Development Committee, helped originate the Christmas parade, worked on water for the sewers, community Christmas tree, the Elgin Stampede, and cleaned Henderson Park. "I got grass seed from Imbler and we seeded and reseeded the park. The McVey's and I cleaned knapweed until our hands bled." When the Sniders (later Otis)